



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
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October 21, 2014

Via ECF and Hand Delivery

Hon. Naomi Reice Buchwald
United States District Judge
Southern District of New York
United States Courthouse
500 Pearl Street
New York, N.Y. 10007-1312

Re: SEC v. Lucarelli, 14-CV-6933 (NRB) (S.D.N.Y.)

Dear Judge Buchwald:

I represent the plaintiff in the above-captioned matter (the "Commission"). The parties in this case have reached a partial settlement, as per the Consent of Defendant Michael Lucarelli (the "Consent"), a courtesy copy of which is attached hereto. Pursuant to the Consent, Defendant agrees to the entry of a judgment permanently enjoining him from violating certain provisions of the federal securities laws, and providing that this Court may order him to pay disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty pursuant to Section 21A of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-1, upon motion by the Commission staff. A proposed form of judgment setting forth these and other terms of the partial settlement is attached hereto for Your Honor's review and approval (the "Proposed Judgment"). The Commission staff respectfully requests that the Court enter the Proposed Judgment.

Although the Proposed Judgment provides that the Court will determine, upon motion by the Commission staff, the amount of disgorgement, prejudgment interest, and civil penalty to be imposed on Defendant, the parties expect to be able to reach a complete settlement of these remaining issues upon Defendant's sentencing in a parallel criminal proceeding, *United States v. Lucarelli*, No. 14-cr-00632 (JMF) (S.D.N.Y.). If the parties reach a proposed settlement, and such settlement is approved by the Commission, the Commission staff will promptly submit the settlement and a proposed final judgment for the Court's review and approval. Defendant's sentencing before the Honorable Jesse M. Furman is currently scheduled for January 8, 2015.

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The Commission staff expects to inform this Court within 30 days of sentencing whether the parties will be able to reach a final settlement, and to file a form of Final Judgment soon thereafter.

In the meantime, the parties are available to appear before your Honor and/or provide the Court with any additional information it may require.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'J. Tenreiro', with a stylized flourish at the end.

Jorge G. Tenreiro

Enclosures:

Executed Consent of Defendant Michael Lucarelli and Exhibit
Judgment as to Defendant Michael Lucarelli

cc: Patrick McGinley, Esq. (counsel to Defendant Lucarelli) (via overnight delivery)